

MINUTES
BOARD OF SUPERVISORS
COUNTY OF YORK

Adjourned Meeting
October 10, 2000

6:30 p.m.

Meeting Convened. An Adjourned Meeting of the York County Board of Supervisors was called to order at 6:32 p.m., Tuesday, October 10, 2000, in the East Room, York Hall, by Chairman Walter C. Zaremba.

Attendance. The following members of the Board of Supervisors were present: Walter C. Zaremba, Sheila S. Noll, Donald E. Wiggins, James S. Burgett, and Melanie L. Rapp.

Also in attendance were Daniel M. Stuck, County Administrator; and James E. Barnett, County Attorney.

WORK SESSION

VOLUNTARY DEDUCTIONS FOR EMPLOYEE BENEFITS

Mr. Mike Manley, President and CEO, V-Ha.Com, made a presentation on his company's services to provide employees with supplemental insurance by way of the Internet. He noted his company provides independent product research and consulting, and recommends the best solutions to the customer. The program would not cost the County anything; all premiums are paid by the employee through payroll deduction.

Chairman Zaremba asked Mr. Stuck how this program compared with the County's offerings.

Mr. Stuck indicated this proposal would provide an opportunity for employees not provided today. At the present time the County does not allow access to the employees by supplemental insurance companies because it was felt that the employees might be sold things they did not need, and there were some procurement issues as well. He asked where the profit came from for the company.

Mr. Manley stated a commission is paid for the product sold; V-Ha.Com receives a portion of that commission. He further stated there was no interface or pressure on the employees. The program provides the recommended plan, and the employees can sign up for the product if they wish.

Mr. Burgett asked if the company only worked with groups or if individuals could sign up.

Mr. Manley indicated the company works only with groups because of the payroll deduction required.

Mr. Burgett stated he felt it would be a defacto endorsement by the County government with which he was not comfortable.

Mrs. Noll expressed her agreement with Mr. Burgett.

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Mr. Stuck indicated the products are all supplemental, and would be in addition to the health and life insurance options provided by the County.

Discussion followed regarding the pre-tax option for the premiums.

Mr. Burgett asked what the benefit was to the employees by using this product. He stated the employees could go out and buy all the insurance they wanted.

Mr. Manley indicated his company provides research and information on the products, and it makes the enrollment process a lot less intrusive to the employees. The company and its products can be reviewed in the privacy of one's own home.

Chairman Zaremba asked for a comparison of what the County offered with what Mr. Manley has discussed.

Mr. Stuck stated the only comparable thing the County offered now was dental insurance. The County selected the current carrier by competitive process. The process was based on service and formal proposal. He noted a carrier typically has a contract for five years. He also noted the County has a 125 plan so that the premium paid by the employee is deducted from the employee's pay before taxes. The employees may also purchase supplemental life insurance for themselves and family members through the Virginia Retirement System (VRS). Mr. Stuck stated the County used to offer voluntary benefits through vendors who contacted the Human Resources Office, and the employees went to open enrollment sessions. No real system was set up for selecting the vendors, and that program was eliminated. If the County were to consider the V-Ha.Com program, it would have to be done through a proposal process to see if there were other companies that offered such a product. Mr. Stuck noted that many County employees did not have access to computers at work.

Chairman Zaremba indicated that the process the County now follows for selecting an insurance package ultimately ends in an endorsement of a product when it is offered to the employees.

Mr. Manley indicated his program is something new, and there were millions of dollars behind what he had shown the Board members this evening, and what was coming was even more exciting. He stated he could demonstrate the research for the Board and the savings in the best product being recommended to the employees.

The Board thanked Mr. Manley for his presentation.

TRANSPORTATION PROJECTS (Not on Agenda)

Mr. Stuck indicated that the Hampton Roads Planning District Commission had provided information on transportation projects that have been endorsed by the region in a document put together for the legislators in an attempt to explain the problems and the needed funding for the projects.

Mrs. Noll stated she went before the Commonwealth Transportation Board last week and presented the County's position on the widening of Route 17 north of Fort Eustis Boulevard, and it was well received. She noted she was very glad that the County was represented by a Board member because the Transportation Board paid more attention to the elected officials

than to staff members. Mrs. Noll stated the County should receive notification of the Transportation Board's decision on October 18.

PROPOSED FISCAL YEAR 2002 BUDGET

Mr. Stuck stated that staff work on the proposed FY2002 budget began in May, and the budget call for departments and agencies went out last week. He indicated that staff needed guidance from the Board on two areas after tonight's briefing: the disposition of the undesignated fund balance for FY2000, and the Board's consensus regarding the recommendations for the new personnel and new programs requests. Mr. Stuck noted that tonight's briefing was one in a series designed to address questions the Board had been asking about agencies and County operations. He then provided the Board with a preliminary outlook of the FY2002 budget, stating the County could expect revenue growth of about 4 to 4.5 percent which would result in additional revenue of about \$3 to \$3.3 million. The preliminary expenditure outlook on the County's obligations could very well call for more than the expected new revenue. It was noted that the first payment for the community center might come due in FY2002; corrections costs are going up; and fuel costs have risen dramatically. Other shared costs such as Social Services and Colonial Services Board continue to rise, and projections for them are unknown. The mental health and Colonial Services Board areas could have a drastic impact on the County's budget. Other issues are drainage projects, New Quarter Park, and carry-over costs for decisions made by the Board in past years. He stated the last real estate tax rate increase was in FY95, and he did not feel the County's budget could continue to be supported by the current tax rate. He spoke of the new buildings and facilities that have been opened in the past few years, and indicated the population of the County has grown 15 percent since 1995.

Mr. Burgett stated the early numbers didn't look good for meeting the County's obligations with the current tax rate. York is a very fiscally conservative place, and the Board of Supervisors must decide whether or not a service will be provided or cut the service and not raise taxes.

Chairman Zaremba asked if the proposed revenue projection included the revenue derived from the construction of the two new Wal-Mart stores.

Mr. Stuck indicated it did, but explained that because of the Board's policy of reimbursing the incentive fund from the first tax revenues from a new commercial business, the County might not see any additional revenues from operations until 2003.

Mr. Stuck continued his review discussing the undesignated fund balance for FY2000. He explained that it had an excess of \$1.6 million over the limit the County needed to maintain its bond rating, and he recommended that the excess funds be used for capital projects since it was not a recurring source of revenue and should not be placed in the operating budget. The \$1.6 million represents about 1.5 percent of the total budget, and he listed several projects that had no identified funding source on which the undesignated funds could be placed. He stated that the knuckle boom truck was the one item he was sure to recommend to be purchased from these funds.

Discussion followed regarding the proposed communications system replacement and other projects having no identified funding source.

Mr. Stuck recommended that the Board put the money aside in the capital reserve until a review and prioritization takes place of the projects.

Chairman Zaremba indicated the Board had heard about the potential need for raising the real estate tax rate, but the Board was also looking at an undesignated fund balance of \$1.6 million from FY2000. He stated that with the very substantial amount of money left over at the end of the fiscal year, he had a hard time thinking about a real estate tax increase, especially since the County consistently had a positive end-of-the-year balance in its account. He agreed that there was no guarantee that the surplus would continue, but he felt the dollars should be considered for a rainy day rather than considering a tax increase.

Mrs. Noll noted the surplus was only 1.5 percent of the total budget which she felt was very close for bookkeeping purposes. Because the Board had put the surplus funds into capital projects in the past, it has not had to borrow as much money as it would have had to otherwise.

Mr. Burgett stated the Board also knows it has over \$13 million in the reserve fund that was there if something were to happen. He noted the surplus was getting less and less each year. Revenues were going down and costs were going up. Mr. Burgett stated that either the tax rate is increased to generate more revenue, or the reserve fund will have to be tapped.

Mr. Stuck agreed that the \$1.6 million was a good sum of money to be allocated, and explained that in the past the Board had given one-half of the surplus to the schools' technology program. This is no longer done because the technology program is being funded through other sources. Mr. Stuck stated that typically the surplus has gone into capital infrastructure. If the County continues to provide services at the same level as it does today, the Board may have to consider a tax increase. He then discussed the impact on the budget by mandates, increased services, utilities extensions, and he discussed the 63 percent increase in funding to the schools since FY89. He stated the two school actions that impacted the budget the most have been the lowering of the student/teacher ratio and the School Board's vote to give school employees early retirement benefits. He stated the major factor for the increase in overall costs for education was cost-shifting from the state.

Meeting Recessed. At 8:25 p.m. Chairman Zaremba declared a short recess.

Meeting Reconvened. At 8:36 p.m. the meeting was reconvened in open session by order of the Chair.

Mr. Stuck then recapped the school budget increases, noting the funding sources for the schools has shifted drastically since FY89 in that Federal and State funding have decreased from 71.6 percent in FY89 to only 56.9 percent in FY2000, and local funding has increased from 28.4 percent in FY89 to 43.1 percent in FY2000. He stated the County cannot control how much the General Assembly puts into the school program.

Chairman Zaremba spoke of the study just completed by VML that attempts to get the General Assembly to do something new relative to allocating funds, and asked if it were to happen would it have a positive effect on the revenue stream into the County.

Mr. Stuck stated if the State were to share the income tax with the localities, it would have a positive impact. He indicated his concern was that the State only had \$5.4 million left over out of a \$10 billion budget, and questioned how the State could give the localities the 5 or 6 percent rebate being discussed. He noted that the real estate tax is a lower growth revenue where the income tax is a higher growth revenue, and it seemed a better plan would be to devise a system whereby any local government could impose an income tax on its citizens with the caveat that it lower some other local tax an equivalent amount in the same year. Mr. Stuck stated he felt that local governments needed to be able to raise their own revenue.

FY2002 BUDGET—NEW PROGRAMS/PERSONNEL PROPOSALS

Mr. Stuck indicated he received requests for almost 24 new positions. He stated that after reviewing the submitted documentation, he was recommending approximately 12.5 positions be added to the County staff. He explained the process of documenting the need for new personnel or a new program.

Mr. Wiggins stated he reviewed all the requests, and he felt, for the most part, they were all justified.

Mr. Stuck indicated he made the staff justify new positions or programs very thoroughly, and he explained the factors under consideration in making his recommendations for approval. He then reviewed the following requests for new personnel and his recommendations:

<u>Department/Agency</u>	<u>Position(s) Requested</u>	<u>FTE Requests</u>	<u>FTE Recommended</u>
Registrar	Registration Clerk	.5	
Clerk of Circuit Court	Deputy Clerk II - Probate	1	
	Deputy Clerk I - Criminal	.5	
Commonwealth's Attorney	Assistant Commonwealth's Attorney	1	
	Paralegal	1	
	Investigator	1	
Sheriff	Crime Prevention Specialist	1	1
	Deputy Sheriffs—Law Enforcement	5	5
Fire and Life Safety	Firefighters	3	
	Telecommunicators	2	2
Environmental & Development Services	Development & Compliance—Planner I	1	1
Financial & Management Services	Computer Support—Network Administrator	1	1
	Human Resources—Secretary I	.5	.5
	Fiscal Accounting Services—Payroll Clerk	1	
General Services	Engineering & Facility Maintenance—York Hall Custodian	1	
Community Services	Parks & Recreation—Secretary I	.25	

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	(Upgrade)		
Waste Management	Secretary I	1	
Sewer Utility Fund	Operations—Equipment Operators II	2	2
Total		23.75	12.5

Mr. Burgett stated he felt the citizens would support anything Fire and Life Safety needed for public safety.

Mr. Stuck indicated he had to look at the requests from strictly a management viewpoint and whether or not the staff had fully justified the request for new positions.

Mr. Burgett noted the pertinent question was would it improve services to the citizens.

Mr. Stuck stated his opinion was that the Department of Fire and Life Safety provides an excellent service to the public, and because of that they should easily be able to properly justify their needs for new personnel or programs.

Miss Rapp asked if Fire and Life Safety could provide the needed justification at this time for its FY2002 requests.

Mr. Stuck indicated it could not.

Chairman Zaremba noted the Fire and Life Safety Department was so good that it was being penalized for being good. If the County were floundering, it would be easy to see the needs. When a department reaches the level of excellence that Fire and Life Safety has today, it was tough to justify an improvement.

Mr. Stuck stated the County probably spends one of the highest amounts per capita in the state on emergency services. He noted he believed that York County's level of service was provided in the most cost effective manner possible. The department cross-trains its employees, and is providing a tremendous service with the present staff.

Discussion followed on Mr. Stuck's recommendation for two new telecommunicators because of the added wireless 911 service.

Mr. Stuck then reviewed the following requests for new programs requiring personnel:

<u>Department/Agency</u>	<u>New Program</u>	<u>New Position</u>
Sheriff's Office	Crime Prevention Program	Crime Prevention Specialist

The following requests for new programs were reviewed:

<u>Department/Agency</u>	<u>Program(s) Requested</u>	<u>Co. Admin. Recommendation</u>
General District Court	Filing System	To be funded as part of the regular budget process

Clerk of Circuit Court	Indexing/Scanning System	Contingent upon State funding
Sheriff's Office	Satellite Training Site Career Development Program— Senior Deputy	Recommended Program to be funded as part of the regular budget process
Community Services	Administration—Data Imaging System	Recommended
	Parks & Recreation—Security Guard Services	Recommended

Mr. Stuck indicated staff's emphasis at this time was on getting the Capital Improvements Program requests in so there would be a month or so for the Board to add programs or new personnel if they felt the need. He stated he would like to hear from the Board members individually as to whether or not the Board members feel the County Administrator's recommendations were sound or if something needed to be changed. He indicated the purpose of having this particular meeting early on was for the Board members to have time to think about the requests and get back to him about what they felt needed to be done.

Discussion followed on the Office of Economic Development and the possibility of including a new position or program regarding tourism.

Mr. Stuck stated he was not recommending anything for in-house tourism promotion at this time. The Williamsburg Area Convention and Tourism Bureau should be providing some of the needed services rather than the County hiring a position at this time. However, Mr. Stuck stated that depending on the decisions made by the Board concerning York Hall usage, it might be feasible for a person to be based in the building to further the County's tourism efforts on a part-time basis. Staff did not yet feel it had exhausted other resources. He also suggested that the businesses that are pushing the County to hire a tourism person should be asked how much they would be willing to contribute to these efforts.

Miss Rapp asked if the Drainage Committee had an estimated date for finalizing its recommendations.

Mr. Wiggins indicated the Committee would be finished with its task in a couple of months.

YORK TOWN TRUSTEES' AGREEMENT (Not on Agenda)

Mrs. Noll asked if staff had heard anything from the Trustees on the proposed agreement.

Mr. Stuck indicated Mr. Carter had met with two of the Trustees and reviewed the changes the Board of Supervisors had made, and the Trustees were generally agreeable.

Mr. J. Mark Carter, Assistant to the County Administrator, indicated the full membership met last night but did not discuss the agreement at that time.

Mr. Stuck noted it had only been about a week since Mr. Carter met with them. He stated he felt the staff was getting close to finalizing the agreement.

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TRANSITION OF EMPLOYEES FROM THE INDUSTRIAL DEVELOPMENT AUTHORITY (IDA)
EMPLOYMENT (Not on Agenda)

Chairman Zaremba asked Mr. Stuck if he had met with the IDA.

Mr. Stuck stated he met with the IDA last Wednesday night to review the memorandum and answer any questions the members had about the transition. He indicated the IDA members decided to officially transfer all their assets to the County. They have already approved a marketing budget for this year out of their revenues, and they voted to continue that through this year for a smooth transition. He stated that next year the IDA will handle other costs and have the marketing aspect taken care of through the Office of Economic Development. Mr. Stuck stated the IDA also discussed the fact that it does have a small amount of funds currently available to do small incentives, and the members felt it was important to maintain the ability to deal with the small issues. The IDA members discussed how to keep those funds replenished (about \$25,000), and Mr. Stuck recommended to them that they make a budget request for replenishment from the County during the budget process. He stated the IDA indicated it was comfortable with his suggestion. He noted the IDA was also in the process of reviewing the golf course proposals for the fuel farm property.

Meeting Adjourned. At 9:34 p.m. Chairman Zaremba declared the meeting adjourned sine die.

Daniel M. Stuck, Clerk
York County Board of Supervisors

Walter C. Zaremba, Chairman
York County Board of Supervisors